Leveraging Mobile to Accelerate Digital Identity Ecosystems: Considerations for Policymakers in Africa
THE GSMA

Has represented the interests of mobile operators worldwide for more than 30 YEARS

Unites more than 750 mobile operators with almost 400 companies in the broader mobile ecosystem

Convenes more than 200,000 people annually from across the globe to industry-leading events

Focuses on activities where collective action can deliver significant benefits

Led the mobile industry to formally commit to the Sustainable Development Goals
Mobile has reached more than 5 billion subscribers worldwide and with 866 million mobile money registered accounts in 90 countries.
In 150 countries, users need proof of identity to register a prepaid mobile SIM card in their own name – 50 are within Africa

Source: GSMA research from publicly available information (December 2018)
Yet up to 1 billion people lack the means to meet proof of identity requirements → unable to access mobile services in their own name

Source: World Bank Identification for Development (ID4D) Dataset, 2018
There is a **direct link between identification coverage and mobile penetration** across African countries where mobile SIM registration is legally mandated.

Source: GSMA Intelligence, Market Penetration - Q3 2018 (Accessed November 2018) and World Bank, ID4D Dataset 2018 (number of registered individuals as a % of the population, taken as a proxy for identity penetration)
Applying for a SIM card and mobile services is the most common use of National ID

Gender disaggregated responses to ‘Have you ever used your national ID card to do any of the following?’

- To apply for a SIM card/mobile services (%): 48% (women) vs 59% (men)
- To use financial services (%): 39% (women) vs 44% (men)
- To access government services (%): 34% (women) vs 37% (men)
- To receive government financial support (%): 20% (women) vs 18% (men)

Sample: 100,000 people in 97 countries

Source: The Global Findex Database, 2017
But...the risk of financial exclusion is (also) significant as undocumented people are unable to open bank or mobile money accounts – even where these are available.

Source: World Bank ID4D Dataset, 2018 and GSMA
Refugees and other Forcibly Displaced Persons are disproportionately impacted by proof of identity requirements that fail to cater for their own circumstances.

Mobile money services are available in 12 of the top 20 refugee hosting countries covering 74% all refugees → subject to proof of identity requirements.

Source: GSMA and UNHCR
TRUST is crucial – yet only 54% of African countries mandating SIM registration have a comprehensive privacy and/or data protection framework.

Source: GSMA research from publicly available information (December 2018)
Despite the absence of privacy laws in many countries people’s privacy expectations are high. Appetite for identity-linked digital services is high if there is tangible benefit.

Key conclusions from GSMA research on mobile user privacy perspectives and behaviours in four African markets (Ghana, Zambia, Rwanda, Mozambique):

- **Whilst the existence (or lack) of a privacy/data protection law** may not be understood by all mobile-users – the overwhelming majority expect their privacy and data to be protected.

- **There was consensus that such laws may operate ‘behind the scenes’: they’re not top of mind; but they’re important as they provide support and protection if needed;**

- **Despite perceived privacy concerns, people’s behaviour around sharing personal data is predominantly associated with the value derived from a service:** Regardless of country, or presence of laws: the vast majority were content to use identity-linked digital services (including from MNOs) if there was a tangible benefit (i.e. if they valued the service).

  E.g. • Receiving government SMSs about health campaigns, cholera outbreaks (Zambia);
  • Linking a mobile number to a government profile, for digital access (Zambia; Rwanda); and
  • Linking a mobile number to bank account, for bank updates via SMS (Mozambique).
Only 11% of countries empower mobile operators to validate users’ identity credentials against a central government database / token.
MNOs can play various roles in accelerating digital identity ecosystems

**SUPPLY SIDE PROBLEM**
- 1 billion people have no formal identification.
- Underserved populations are unable to access life-enhancing digital services.

**Demand Side Problem**
- Access & inclusion
- Digital Transformation
- Enhanced livelihoods

**Business assets**
- Expertise
  - Nationwide presence and agent network
  - Privacy and consent mechanisms
- MNO

**Customer data assets**
- Dynamic attributes
  - Location of mobile user
  - Airtime top up history
  - Mobile Money transaction history
- Static attributes
  - SIM registration data
  - Mobile Money KYC data
  - Handset IMEI
  - Phone number
  - Biometrics

**Foundational registry**
- Government maintained
- MNO

**Digital ID linked services**
- Credit scoring
- Financial services
- eGovernment
- Social benefit
- Education
- Health
- Secured rights

**Digital ID enrollment as government partner**
- Verification
- Authentication
- Authorisation
Key policy considerations for building and leveraging digital identity ecosystems to support digital and financial inclusion via mobile platforms

Pro-active engagement between Financial & Telecoms Regulators, Ministries of Interior and National ID Authorities needed to:

- **Expand coverage / accessibility** of foundational digital ID → Consider partnering with MNOs
- **Harmonise** identity-related KYC for MFS with SIM registration requirements
- **Improve reliability** by enabling MNOs & MFS to validate customers’ ID credentials
- **Promote digital literacy** and services that will **drive demand** for digital ID registrations
- **Build trust** e.g. through appropriate privacy frameworks
DIGITAL IDENTITY PROGRAMME

Explore sustainable business models and support projects that demonstrate how mobile could accelerate digital identity ecosystem solutions.

Advocate for more enabling policy environments to make digital identity solutions sustainable and easily accessible.

Conduct market research on the unique barriers people face when accessing or using identity systems.

Support mobile operators to leverage their reach and assets for offering identification solutions.

Offer free capacity building courses to policymakers on the role of mobile in accelerating digital identity ecosystems.

Increase scale of mobile based registrations platforms.

Promoting partnerships that strengthen digital identity ecosystems.

3,000,000

digitally registered births in Sub-Saharan Africa and Asia since 2013.

www.gsma.com/digitalidentity
Thank you!

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